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U.S. House of Representatives
Committee on Agriculture
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December 11, 2008

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Office of the Comptroller of the Currency
250 E Street, SW
Mail Stop 1-5
Washington, DC 20219
Docket Number OCC-2008-0016

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429
Attention: Comments/Legal, ESS
FDIC RIN 3064-AD34

Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552
Attention: OTS-2008-0014

To the Listed Addressees:

We are writing with regard to the proposed rule of October, 7, 2008 that seeks to reduce the risk weighting a bank organization may assign to obligations of Fannie Mae and Freddie Mac from 20 percent to 10 percent, but not for other government sponsored enterprises (GSEs). This inequality would make holding debt from Fannie Mae and Freddie Mac more attractive relative to Farmer Mac, the Farm Credit System and other GSEs, artificially distorting the market and making financing more expensive for farmers and ranchers.

During this economic crisis, several well-intentioned efforts have been made to stabilize market institutions and the economy as a whole and we applaud your efforts; however, we must treat GSEs equally in order to avoid unintended consequences. Currently, all claims backed by GSE guarantees must be assigned a 20 percent risk weighting by banks, bank holding companies and savings associations. In practice, this establishes the levels of capital banks and thrifts need to hold against GSE debt securities.

Farmer Mac and other the Farm Credit System compete with other GSEs to raise funds in the same debt market. That is why we believe that any proposed rule should be constructed to avoid disparities in treatment among the GSEs. The inequality in the proposed rule threatens to jeopardize a critical source of funding for American farmers and ranchers.

Sincerely,

A handwritten signature in black ink, appearing to read "Collin C. Peterson", written over a horizontal line.

Collin C. Peterson
Chairman
House Committee on Agriculture

A handwritten signature in black ink, appearing to read "Bob Goodlatte", written over a horizontal line.

Bob Goodlatte
Ranking Member
House Committee on Agriculture